

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

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APR 16 2004

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY  
AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

W-01536A  
Lazy C Water Service  
P.O. Box 1  
Tucson AZ 85702

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2003
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FOR COMMISSION USE

Ann04	03
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## COMPANY INFORMATION

Company Name (Business Name) <u>Box 1 Inc. dba Lazy C Water Service</u>			
Mailing Address <u>Po Box 1</u>			
<u>Tucson</u> (City)		<u>AZ</u> (State)	<u>85702</u> (Zip)
<u>(520) 743-0758</u> Telephone No. (Include Area Code)		<u>(520) 743-4557</u> Fax No. (Include Area Code)	
<u>(520) 291-1264</u> Pager/Cell No. (Include Area Code)			
Email Address <u>bobbox1@prodigy.net</u>			
Local Office Mailing Address <u>same</u>			
<u></u> (City)		<u></u> (State)	<u></u> (Zip)
<u></u> Local Office Telephone No. (Include Area Code)		<u></u> Fax No. (Include Area Code)	
<u></u> Pager/Cell No. (Include Area Code)			
Email Address <u></u>			

## MANAGEMENT INFORMATION

Management Contact: <u>Robert J. Canfield</u>		<u>President</u>	
<u>4802 W. Kay T Dr</u> (Street)		<u>Tucson</u> (City)	<u>AZ</u> (State)
<u>85745</u> (Zip)			
<u>(520) 743-0758</u> Telephone No. (Include Area Code)		<u>(520) 743-4557</u> Fax No. (Include Area Code)	
<u>(520) 291-1264</u> Pager/Cell No. (Include Area Code)			
Email Address <u>bobbox1@prodigy.net</u>			
On Site Manager: <u>Robert J. Canfield</u>			
<u></u> (Street)		<u></u> (City)	<u></u> (State)
<u></u> (Zip)			
<u></u> Telephone No. (Include Area Code)		<u></u> Fax No. (Include Area Code)	
<u></u> Pager/Cell No. (Include Area Code)			
Email Address <u></u>			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** \_\_\_\_\_  
 (Name)

\_\_\_\_\_  
 (Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Attorney:** Patrick Farrell  
 (Name)

1 South Church Ave. Tucson AZ 85701  
 (Street) (City) (State) (Zip)

(520) 882-4994 \_\_\_\_\_  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |  |                                   |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE         | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM          | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA        | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI         | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |  |                                   |

COMPANY NAME

LAZY C WATER SERVICE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	31,212	19,600	11,612
311	Pumping Equipment	37,251	17,784	19,467
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	13,569	11,980	1,589
331	Transmission and Distribution Mains	179,969	102,161	77,808
333	Services	3,158	1,490	1,668
334	Meters and Meter Installations	9,399	6,810	2,589
335	Hydrants	589	485	104
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	11,847	7,451	4,396
340	Office Furniture and Equipment	1,565	1,547	18
341	Transportation Equipment	38,000	8,700	29,300
343	Tools, Shop and Garage Equipment	1,671	—	—
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>326,559</b>	<b>178,008</b>	<b>148,551</b>

This amount goes on the Balance Sheet Acct. No. 108



COMPANY NAME LAZY C WATER SERVICE

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	31,212	5.0	1,561
311	Pumping Equipment	37,251	5.0	1,863
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	13,569	5.0	678
331	Transmission and Distribution Mains	179,969	5.0	8,998
333	Services	3,158	5.0	158
334	Meters and Meter Installations	9,399	5.0	470
335	Hydrants	589	5.0	29
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	11,847	5.0	574
340	Office Furniture and Equipment	1,565	5.0	78
341	Transportation Equipment	38,000		4,900
343	Tools, Shop and Garage Equipment	1,671		—
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>326,539</b>		<b>15,581</b>

This amount goes on Comparative Statement of Income and Expense  
Acct. No. 403.

COMPANY NAME LAZY C WATER SERVICES

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 1,662.00	\$ 9,148.00
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	1,804.75	335.00
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 3,467.00	\$ 9,503.00
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 328,074.00	\$ 326,559.00
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	158,643.00	178,008.00
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 169,431.00	\$ 148,551.00
	<b>TOTAL ASSETS</b>	\$ 172,898.00	\$ 158,054.00

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME LAZY C WATER SERVICE**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 0	\$ 0
232	Notes Payable (Current Portion)	140,824.00	137,817.00
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 140,824.00	\$ 137,817.00
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 15,288.00	\$ 7,702.00
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$ 156,112.00	\$ 145,519.00
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 16,786.00	\$ 12,535.00
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 172,898.00	\$ 158,054.00

COMPANY NAME LAZY C WATER SERVICE

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 104,987.	\$ 93,511
460	Unmetered Water Revenue		
474	Other Water Revenues	520	
	<b>TOTAL REVENUES</b>	\$ 105,507	\$ 93,511
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water	7,263	3,336
615	Purchased Power	11,481	11,053
618	Chemicals		
620	Repairs and Maintenance	11,295	25,121
621	Office Supplies and Expense	4,462	4,497
630	Outside Services	18,220	19,002
635	Water Testing	225	820
641	Rents	1,200	1,200
650	Transportation Expenses		
657	Insurance -- General Liability		2,010
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	7,888	3,025
403	Depreciation Expense	16,404	15,587
408	Taxes Other Than Income		
408.11	Property Taxes	24,746	19,500
409	Income Tax	50	50
	<b>TOTAL OPERATING EXPENSES</b>	\$ 103,234	\$ 105,201
	<b>OPERATING INCOME/(LOSS)</b>	\$	\$
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$	\$
	<b>NET INCOME/(LOSS)</b>	\$ 2,273	\$ (11,690)



COMPANY NAME LAZY C WATER SERVICE

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 520.00

Meter Deposits Refunded During the Test Year

\$ -0-

COMPANY NAME LAZY C WATER SERVICE

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-801499	15	60	563	8- <sup>5</sup> / <sub>8</sub>	1- <sup>1</sup> / <sub>2</sub>	1993
55-801500	15	48	650	8	1- <sup>1</sup> / <sub>2</sub>	1996

\* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
City of Tucson	90	2,851,196

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
<del>20</del> 25	1	1	
<del>10</del> 20	1		
<del>5</del> 10	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000	1	3,000	2
25,000	1	2,000	1
10,000	1		

COMPANY NAME LAZY C WATER SERVICE

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		8,909
3		1,600
4		21,765
5		
6		16,684
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	106
3/4	
1	19
1 1/2	2
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

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STRUCTURES:

250' chain link fence 6' high  
68' grape stake 5' high  
300' colored concrete block wall 5' high  
6' chain link gate (2)

OTHER:

one standard fire hydrant

COMPANY NAME: LAZY C WATER SERVICE

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	126	1,006,280	877,500
FEBRUARY	126	850,930	797,100
MARCH	126	1,033,110	926,700
APRIL	126	1,580,680	1,352,800
MAY	126	1,987,430	1,646,300
JUNE	126	2,079,290	1,664,600
JULY	126	2,200,820	1,833,100
AUGUST	126	2,239,530	1,616,800
SEPTEMBER	127	1,586,600	1,247,100
OCTOBER	127	1,379,350	1,063,400
NOVEMBER	127	1,284,640	824,200
DECEMBER	127	1,114,990	1,269,300
TOTAL		N/A	14,118,900

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes      ( ) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes      ☒ No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. POE#1 - .0088  
POE#2 - .0082 mg/l  
*(If more than one well, please list each separately)*

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME LAZY C WATER SERVICE YEAR ENDING 12/31/2003

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 19,500.00

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

COMPANY NAME LAZY C WATER SERVICE YEAR ENDING 12/31/2003

INCOME TAXES

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For this reporting period, provide the following:

Federal Taxable Income Reported  
Estimated or Actual Federal Tax Liability

- 0 -  
- 0 -

**WATER CORPORATION COMMISSION  
DIRECTOR OF UTILITIES**

State Taxable Income Reported  
Estimated or Actual State Tax Liability

- 0 -  
50

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances  
Amount of Gross-Up Tax Collected  
Total Grossed-Up Contributions/Advances

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Robert J. Canfield  
SIGNATURE

\_\_\_\_\_  
DATE

Robert J. Canfield  
PRINTED NAME

President  
TITLE

VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

RECEIVED

APR 16 2004

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
<u>PIMA</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Robert J. Canfield</u>
COMPANY NAME
<u>Box 1 Inc dba LAZY C WATER SERVICE</u>

ARIZONA CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2003</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 93,511

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 4,959  
IN SALES TAXES BILLED, OR COLLECTED

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

Robert J. Canfield  
SIGNATURE OF OWNER OR OFFICIAL  
(520) 743 0758  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

15

DAY OF

COUNTY NAME
<u>Pima</u>
MONTH
<u>4</u> <u>2004</u>

(SEAL)

MY COMMISSION EXPIRES

1-22-2005

Theresa L. Chavez  
SIGNATURE OF NOTARY PUBLIC

OFFICIAL SEAL  
THERESA L. CHAVEZ  
NOTARY PUBLIC - ARIZONA  
PIMA COUNTY

My Comm. Expires Jan. 22, 2005

VERIFICATION  
AND  
SWORN STATEMENT  
**RESIDENTIAL REVENUE**  
INTRASTATE REVENUES ONLY

**RECEIVED**

APR 16 2004

**ARIZONA CORPORATION COMMISSION**  
**DIRECTOR OF UTILITIES**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>PIMA</u>	
NAME (OWNER OR OFFICIAL) <u>Robert J. Canfield</u>	TITLE <u>PRESIDENT</u>
COMPANY NAME <u>Box 1 Inc dba LAZY C WATER SERVICE</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2003</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>93,511</u>

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 4,959  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

Robert J. Canfield  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

<u>16</u>
-----------

DAY OF

(SEAL)

MY COMMISSION EXPIRES

1-22-2005

NOTARY PUBLIC NAME <u>Theresa L. Chavez</u>	
COUNTY NAME <u>Pima</u>	
MONTH <u>4</u>	20 <u>04</u>

X Theresa L. Chavez  
NOTARY PUBLIC - ARIZONA  
PIMA COUNTY  
My Comm. Expires Jan. 22, 2005